ಶ್ರೀ ಜಿ. ಬಿ. ಶಂಕರ ರಾವ್.—ಈಗಿದ್ದ ಕಂಟ್ರಾಕ್ಟರು ಕೆಲಸ ಮಾಡಿಲ್ಲ ಎನ್ನುವುದರ ಬಗ್ಗೆ ಸರಕಾರಕ್ಕೆ ರಿಪೋರ್ಟ್ ಬಂದಿದೆ. ಬೇರೆಯವರಿಗೆ ಕಂಟ್ರಾಕ್ಟು ಕೊಟ್ಟು ಕೆಲಸ ಮಾಡಿಸಬೇಕು ಎನ್ನುವ ವಿಚಾರ ಪರಿಶೀಲನೆಯಲ್ಲಿದೆ.

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**Expansion scheme for the manufacture of special steel at Bhadravathi**

*Q.—Sri S. M. KRISHNA (Maddur).—

Will the Government be pleased to state :—

(*a*) the reasons for the delay in executing the expansion scheme for the manufacture of special steel at Bhadravathi;

(*b*) whether the collaboration deal was not finalised when the Mysore Minister of Industries visited Germany;

(*c*) whether the Government would take necessary steps to implement the expansion scheme ?

*A.*—Sri K. MALLAPPA (Minister for Industries and Commerce).—

(*a*) There has been some unvoidable delay in the finalisation of the conversion scheme to manufacture special steel at Bhadravati. The finalisation of the loan agreement with German Bankers took some time.

(*b*) During the visit of the State Minister for Industries and Commerce to Germany, the discussions with the German Bankers were completed. But the agreement could not be executed as it required the approval of the Government of India.

(*c*) Yes.

Sri S. M. KRISHNA.—Sir, when would the conversion be complete and when completed what would be the capacity of the plant ?

Sri K. MALLAPPA.—In about 12 to 18 months the conversion will be completed and the capacity will be about 80,000 tons of special steel per year.

Sri S. M. KRISHNA.—Has the Government realised that certain vested interests are trying to bring as many obstacles as possible so that there would be as much delay as possible for the completion of this conversion ?

Sri K. MALLAPPA.—There is no delay now, Sir, the German Bank has sanctioned the loan, the Government of India has approved, agreement has been executed, money is available, orders have been placed from the machinery and the work is going on.

Sri S. M. KRISHNA.—It is said in answer to my question that when the Hon'ble Minister visited Germany, he just completed the discussions with certain German Bankers, but he could not sign the agreement because it required the approval of the Government of India. I would like to know if the Hon'ble Minister could not have got the prior sanction of the Central Government so that he would have completed the collaboration agreement or the financial agreement ?

Sri K. MALLAPPA.—Before my departure to Germany, technical collaboration had been made with Bohlers, Austrian experts. However,

there was the question of finances awaiting. I discussed the matter with the German Bank when I was in Germany and the German Bank agreed to give the loan on certain terms. To enter into an agreement required sanction of the Central Government was necessary. So, I had to return. I submitted the draft agreement to the Government and later on the Government of India gave the approval. The agreement has since been entered into now and money is made available.

Sri C. J. MUCKANNAPPA.—What is the money that the Government gets from this German Bank and when is the scheme implemented and what is the capacity of the special steel that is going to be produced by expanding this Bhadravathi Iron and Steel Works ?

Mr. SPEAKER.—The production limits were asked and answered. The Member may be attentive. The Hon'ble Minister may answer to the first two points of the supplementary.

Sri K. MALLAPPA.—We have been able to get 60 million German Marks from the German Bank and the production programme is 80,000 tons per annum. It is already being implemented, expansion is going on, machinery has started arriving and as I have said within the next 12-18 months we will be in a position to produce the special steel.

Sri M. Y. GHORPADE.—May I know the basis of financial assistance from Germany ? Is it deferred payment for machinery ? Could you give some details as to the basis of financial assistance ?

Sri K. MALLAPPA.—Loan is given to the project.

Sri S. SIVAPPA.—Is it not a fact that German experts who have been brought here to work out the scheme to manufacture special steel are already there in the factory and what are they doing when allocation of funds are now being finalised ? What are they doing there for the last several years ?

Sri K. MALLAPPA.—There are two schemes. First, we took up the expansion scheme of mild steel to 80,000 tons. The German Engineers are busy with that. Construction of the building is over, installation of machinery is over ; and Oxygen Plant is ready. Now conversion stage has reached. We are getting more money for conversion scheme.

Sri M. Y. GHORPADE.—I wanted to know if it is deferred payment against import of machinery ? What is the amount of loan and the period of repayment, etc. ?

Sri K. MALLAPPA.—The loan is intended to purchase machinery from Germany required for steel plant. Interest is payable at 5 per cent and within 12 years the loan has to be repaid. During the first four years, there will be no instalment payment of any money. The amount is about Rs. 7 crores.

Sri S. M. KRISHNA.—Could the Hon'ble Minister inform the House whether there is any other agency either private or public sector which has been producing this special steel ?

Sri K. MALLAPPA.—There is no other agency.